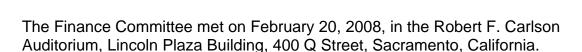


MINUTES OF MEETING

February 20, 2008



The meeting was called to order at 9:47 a.m. and the following members were present:

Tony Oliveira, Acting Chair Terry McGuire for John Chiang, Vice Chair Jim Zerio for Bill Lockyer Kurato Shimada

Excused Member(s):

Marjorie Berte Charles Valdes

Other Board Members:

Henry Jones Rob Feckner

AGENDA ITEM 2 – APPROVAL OF DECEMBER 14, 2007, MEETING MINUTES

The minutes were approved as presented.

AGENDA ITEM 3 – CHIEF AUDITOR'S REPORT

Larry Jensen, Chief Auditor, Office of Audit Services, presented a matrix reflecting the status of various activities occurring within the Office of Audit Services to the Committee as an information item.

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AGENDA ITEM 4 – CHIEF COMPLIANCE OFFICER'S ANNUAL REPORT

Sherry Johnstone, Chief Compliance Officer, presented the 2007 Annual Compliance Report to the Committee as an information item.

AGENDA ITEM 5 – COMPLIANCE OFFICE REPORT

Sherry Johnstone, Chief Compliance Officer, presented a matrix that reflected the status of various activities occurring within the Office of Enterprise Compliance to the Committee as an information item.

AGENDA ITEM 6 – INFORMATION TECHNOLOGY SERVICES STATUS REPORT

Teri Bennett, Assistant Executive Officer, and Terry Bridges, PSR Project Manager, presented a matrix that reflected the status of the PSR Project, EMBARC Project, and IT Innovation to the Committee as an information item.

AGENDA ITEM 7 – Calpers 2006-09 THREE-YEAR BUSINESS PLAN

Kami Niebank, Chief, Strategic Management Services Division, presented the final update of the CalPERS 2006-09 three-year business plan to the Committee as an action item.

On **MOTION** by Mr. Shimada, **SECONDED** and **CARRIED**, the Committee recommends the Board approve the final update of the CalPERS 2006-09 Three-Year Business Plan, and transmittal to the Joint Legislative Budget Committee, Fiscal Committees of the Legislature, the State Controller, and the Department of Finance in accordance with the Budget Act of 2007; and the Legislative Analyst's Office, and the State and Consumer Services Agency.

AGENDA ITEM 8 – CalPERS 2008-11 THREE-YEAR BUSINESS PLAN APPROVAL (FIRST READING)

Ms. Niebank presented the first reading of the CalPERS 2008-11 Three-Year Business Plan to the Committee as an action item.

The Executive and Senior Management team initiated an effort to review the current business plan objectives and develop new objectives for the 2008-11 plan. As a result of this work, a total of four objectives were revised and 15 new objectives were created.

At the direction of the Chair, a copy of this agenda item was provided to each Board Member at the Board of Administration meeting on February 21, 2008. Board

Members were invited to provide comments for the second reading of the 2008-11 Three-Year Business Plan at the March Finance Committee meeting.

On **MOTION** by Mr. Shimada, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the first reading of the CalPERS 2008-11 Three-Year Business Plan.

AGENDA ITEM 9 – ACCOUNTING ACTION PLAN 2008

Russell Fong, Chief, and Alan Lum, Assistant Chief, Fiscal Services Division, presented the 2008 Accounting Action Plan to the Committee as an information item.

AGENDA ITEM 10 – CURRENT BUDGET ISSUES

Steve Pietrowski, Assistant Chief, Fiscal Services Division, presented the Committee with the status of CalPERS Budget Change Proposals included in the Governor's 2008-09 Budget as an information item.

AGENDA ITEM 11 – ANNUAL CONSULTING AND SERVICES CONTRACTS REPORT

Rick Nelson, Chief, Operations Support Services Division, presented the Annual Consulting and Services Contracts Report to the Committee as an information item.

AGENDA ITEM 12 – ASSISTANT EXECUTIVE OFFICER REPORT

John Hiber, Assistant Executive Officer, Administrative Services Branch, presented a matrix that reflected the status of several projects to the Committee as an information item.

AGENDA ITEM 13 – PROPOSED MARCH 2008 AGENDA

The proposed March 2008 agenda was approved as presented.

AGENDA ITEM 13 – PUBLIC COMMENT

There was no public comment.

The next Finance Committee meeting is scheduled for March 18, 2008, in Sacramento, California.